



Directorate of  
Intelligence

~~Secret~~

25X1

# Pakistan: Prospects for the New Political System

25X1

An Intelligence Assessment

~~Secret~~

NESA 85-10175  
September 1985

Copy 326

**Page Denied**



**Directorate of  
Intelligence**

**Secret**

25X1

# **Pakistan: Prospects for the New Political System**

25X1

**An Intelligence Assessment**

This paper was prepared by [ ] Office  
of Near Eastern and South Asian Analysis. It was  
coordinated with the Directorate of Operations. [ ]

25X1

25X1

Comments and queries are welcome and may be  
directed to the Chief, South Asia Division, NESA, on  
[ ]

25X1

**Secret**

*NESA 85-10175  
September 1985*

Secret

25X1

### Pakistan: Prospects for the New Political System

25X1

#### Key Judgments

*Information available  
as of 14 August 1985  
was used in this report.*

President Zia, by conducting peaceful legislative elections in February and taking subsequent steps to restore gradually civilian rule, has demonstrated his firm control of the near-term direction of political change in Pakistan. The Army will continue to support him unless there is a serious threat of instability. As the ultimate arbiter in Pakistani politics, Zia will identify closely with US regional policies, particularly support for the Afghan resistance.

25X1

The Army will judge Zia on how well he is protecting its interests as well as Pakistan's security. If Zia retires from the military—as he probably will do after martial law ends—it will be easier for the Army to remove him in a crisis.

25X1

The 237-member National Assembly is largely a conservative-to-moderate body made up of large landowners and businessmen, new entrepreneurs and bazaar merchants, and much of the Sunni religious establishment. The Assembly will press for an end to martial law, resist some of the more controversial constitutional reforms instituted by Zia, and support the legalization of political parties, but it will probably avoid actions that could undermine the new order. Most Assembly members recognize that only through the new political structure can they ensure their control of the distribution of patronage and avoid a possible resurgence of their political foes in the opposition. Zia probably will allow the Assembly at least the appearance of independence to enhance its credibility.

25X1

Political parties will emerge formally in the Assembly probably sooner rather than later, although they will be strictly controlled by the government. Parties in the opposition coalition Movement for the Restoration of Democracy will most likely not accept the government's restrictions and thus be unable to function legally.

25X1

Zia's domestic political opposition is fragmented and lacking direction in the aftermath of the elections and is unlikely to pose a serious threat in the near term. The opposition appears to have decided not to confront the government until it sees how much autonomy the Assembly will have.

25X1

Secret

NESA 85-10175  
September 1985

**Secret**  

25X1

Nonetheless, the situation in Pakistan could change rapidly, undermining Zia's control and hurting prospects for regime survival. A serious economic downturn could foster increased anti-Zia sentiment, although he would try to put distance between himself and the country's problems and probably would blame the elected political leadership. Moreover, the National Assembly may oppose Zia more vigorously, particularly after the lifting of martial law. A constitutional crisis and/or widespread civil unrest probably would lead to renewed military intervention and spell the end of Zia's rule. A new government would most likely be less receptive—though not necessarily hostile—to US interests and policies.

25X1

**Secret**

**Secret**

25X1

**Contents**

|  | <i>Page</i> |
|--|-------------|
| Key Judgments  | iii         |
| Zia's Strength   | 1           |
| The New Legislature                                      | 2           |
| The Political Parties                                    | 3           |
| The Opposition   | 5           |
| Army Attitudes   | 6           |
| Outlook  | 8           |
| Alternative Scenario                                     | 8           |
| Implications for the United States If Zia Stays in Power | 9           |
| Implications for the United States If Zia Falls          | 10          |

**Secret**

Secret

25X1

## Pakistan: Prospects for the New Political System

25X1

The elections in Pakistan last February for the National Assembly and provincial assemblies, the first since the coup of 1977, fulfilled President Zia's goal of obtaining an endorsement of his program for a transition to civilian rule. US diplomats and the independent press support official claims of 53-percent voter turnout for the National Assembly election and 58 percent for the provincial assemblies vote, only slightly below the turnouts in 1970 and 1977. The boycott called by the opposition coalition Movement for the Restoration of Democracy (MRD) had a measurable impact only in a few scattered districts in Sind Province. There was little violence.

25X1

The contests generally revolved around local issues and personalities. Four of five defeated Cabinet ministers faced well-known opponents, and only one of the defeated ministers had a strong political base, according to the US Embassy in Islamabad. Membership in Zia's appointed Federal Advisory Council was less important than a candidate's family, caste, or professional alliances, particularly in Punjab.<sup>1</sup> Zia was quick to cite the defeat of the Cabinet ministers, several provincial ministers, and many lesser officeholders as proof of the validity of the elections. Subsequently, he decreed that losing candidates were ineligible for election or appointment to the Senate.

25X1

Measured against past Pakistani elections, the February polls were unusually free of fraud and are accepted as legitimate even in Sind, a stronghold of anti-Zia sentiment, US diplomats report. Numerous minor irregularities—most involving exceeding campaign spending limits, which Zia later eliminated ex post facto—were reported, but US diplomats say that the results were seriously challenged in only one National Assembly race.

25X1

<sup>1</sup> The Federal Advisory Council, which was created by Zia in late 1981, was composed of about 300 appointed members and was intended as a temporary substitute for an elected parliament. It served only as a consultative body and had no legislative functions.

25X1

### Zia's Strength

In our judgment, the elections enhanced Zia's position. At a minimum, we believe the vote shows that most Pakistanis acquiesce in Zia's program, provided it leads to a reasonably representative civilian government and the lifting of martial law. Zia has little personal following, as the low turnout—less than 30 percent—for last December's referendum showed, but we believe most Pakistanis are willing to tolerate his leadership.<sup>2</sup>

25X1

Zia read the election results as a mandate for his program and launched a series of constitutional reforms to make the President the dominant authority in a civilian regime, giving the country a presidential system somewhat on the French model, rather than a British-style parliamentary government. In our view, Zia plans to rule Pakistan in a limited partnership with compliant political leaders.

25X1

We believe Zia intends the civilian component of the government to be very much a dependent, junior partner. The constitutional revisions clearly remove any formal constraints on the President. Although not directly circumscribing legislative or judicial power, the revisions give the President sufficient authority to overpower them.

25X1

Zia, however, probably will allow some flexibility for the legislature and the civilian leadership. He has spoken of a gradual devolution of power to the Cabinet and a measured lifting of martial law. The President has an enormous stake in the success of the new arrangement and undoubtedly realizes that the

<sup>2</sup> In mid-December a referendum was held to endorse Zia's policy of Islamization. Zia used the results to claim a mandate to remain in office through 1990. Eyewitness and Embassy reporting indicates that the government's claim that over two-thirds of the public voted was greatly exaggerated.

25X1

Secret

**Constitutional Amendments****The President:**

- Presents a prime minister to the National Assembly, rather than simply endorses that body's choice.
- Is consulted by the Prime Minister on the formation of a Cabinet.
- Is the supreme commander of the armed forces.
- Appoints the Chief of Staff of the armed forces.
- Appoints the provincial governors, whose functions in the provinces vis-a-vis the provincial assemblies are the same as the President's at the national level.
- Appoints judges of the Supreme Court.
- Can dissolve the National Assembly and call for an election.
- Can rule by decree.
- Can call nationwide referendums on national issues.
- Is vested with the executive authority of the government.
- Is the "final arbiter" of his own powers.
- Is aided and advised by the Prime Minister and Cabinet in the exercise of his executive functions.



President Zia announcing new constitution ☐

25X1

Cabinet and National Assembly will lack credibility without at least the appearance of independent authority. Zia will also need the cooperation of the Assembly and the Prime Minister to make the new structure a success. ☐

25X1

**The New Legislature**

The 237-member National Assembly is largely a conservative-to-moderate body, with a smattering of outspoken critics and discreet regionalists. According to a survey conducted by the Pakistan Institute of Public Opinion:

- Nearly a third of all Assembly delegates come from families that have sat in a previous National Assembly or provincial assemblies.
- Another third of the delegates come from families with no political background.
- The remaining delegates became active in national politics after the overthrow of Prime Minister Bhutto in 1977.

The average age of the Assembly delegates is about 45, and the members are well educated, according to the survey.<sup>3</sup> ☐

25X1

Rural landlords dominate this Assembly, as they have every other Assembly in Pakistan's history—virtually all the old Punjabi landed families of the Indus plains

<sup>3</sup> The science of polling is still in its infancy in Pakistan. The Pakistan Institute of Public Opinion (PIPO), founded in 1978, is an affiliate of Gallup and is headed by a highly respected statistician trained at the Massachusetts Institute of Technology. According to the US Information Agency, the staff at PIPO is competent and well trained. Despite possible problems associated with sampling methodology and fieldwork techniques, we believe the data cited above are reliable. ☐

25X1

25X1

**The constitutional revisions also:**

- Remove from judicial scrutiny all orders and acts of the martial law regime since 1977.
- Give constitutional force to the referendum of December 1984 and endorse Zia ul-Haq as President for a term of five years, beginning on 23 March 1985.
- Establish a National Security Council chaired by the President and comprising the military service chiefs, the Prime Minister, and provincial chief ministers to make recommendations in the event of a national emergency.
- Expand the Senate by five members appointed from each province to allow representation by nonpolitical professionals, technocrats, and the clergy.
- Stipulate that provisions of the amended Constitution can be overturned only by a two-thirds majority in each house of parliament. ☐

Secret

2



Secret

### **Pakistan: Social Backgrounds of Assembly Members**

| <b>Social Background</b> | <b>Seats</b> |
|--------------------------|--------------|
| Rural landlords          | 117          |
| Businessmen              | 42           |
| Women                    | 21           |
| Tribal chiefs            | 17           |
| Non-Muslim leaders       | 10           |
| Urban professionals      | 8            |
| Ex-armed forces          | 7            |
| Sunni religious leaders  | 6            |
| Student leaders          | 2            |
| Others                   | 7            |

retain their seats. The second-largest group in the Assembly, the businessmen, are urban based and appear to have replaced lawyers as representatives of urban interests. Bazaar merchants, and small-to-middling industrialists in particular, have in the past been among the most supportive of Zia's economic policies and his efforts to maintain peaceful, stable relations with India. They have, however, pressed for more independence to deal with labor, less government control over investment, and denationalization of government enterprises.

The Assembly made a creditable beginning during its first major session in June. It cooperated with the government to pass the budget—its one piece of scheduled business—but it also showed that it would not be a rubberstamp. The delegates used the line-by-line review of the budget to question the government about its martial law policy, Afghanistan, media censorship, corruption, and sectarian violence. They also criticized the budget for being overly burdensome on the poor and forced the government to make changes. The government in turn took the Assembly seriously, which contrasts sharply with Islamabad's attitude toward the Federal Advisory Council. The Embassy reports Zia lobbied actively behind the scenes—a sign he is intent on controlling the pace and direction of national political development.

The government and Assembly also took preliminary steps together toward ending martial law. Prime Minister Junejo established a special committee of delegates to look into lifting martial law and resuming organized politics. Junejo has said that, once the committee's recommendations are approved by the Assembly, he will recommend to Zia that martial law be lifted immediately. Junejo's strategy—almost certainly cleared with Zia—suggests the President already has decided to end martial law, but Zia presumably wants the Assembly to get credit for "wresting" a concession from the government.

Despite the cooperative relations between the government and the Assembly thus far, the Assembly may become more contentious once martial law ends, in our judgment. Strains between Zia—who needs to keep both the Army and the bureaucracy happy—and the National Assembly could emerge over such issues as budgetary allocations for defense and public works (versus rural development and investment capital), reduction of the government role in the economy, the authority of the Cabinet and Assembly, individual rights, and Afghanistan. Moreover, hammering out a consensus on these and other issues among the 237 delegates—each interested in consolidating and expanding his or her personal power—will probably prove more difficult than both Zia and Junejo anticipate.

Nevertheless, we believe Assembly members will recognize they have a stake in the new order, not only to ensure the "proper" distribution of patronage, but to see that their rivals in the opposition MRD remain in the political wilderness. In our judgment, they will press for an end to martial law, resist some of the more controversial revisions of the Constitution, and support the legalization of political parties, seeking to chip away at the power of the bureaucracy and protecting their own interests in legislation.

### **The Political Parties**

We expect new political parties to emerge formally in the Assembly, probably about the same time that martial law ends. The parliamentary committee

Secret

Secret

---

**Major Issues in the Assembly****Economy**

The economic problems underlying the deterioration in Pakistan's foreign reserve position could quickly translate into political problems for Zia in the Assembly. Zia maintained an atmosphere of domestic prosperity during the presidential referendum in December and the legislative elections in February, but an exit poll taken during the Assembly elections indicated economic issues were the second-most important concern of voters, next to the government's policy of Islamization. [ ]

25X1

[ ] He has commented to US diplomats that the "refugees were a major political problem for him," and he did not know how much longer Pakistan could cope with the situation. Zia's opposition almost certainly would try to exploit an Assembly debate on Afghanistan to rally public opposition to the government. [ ]

25X1

25X1

25X1 The government avoided greater national attention to the economy and contentious economic debate during the Assembly session in June by not calling for major reforms in the new budget. Most Pakistani economic officials believe the government will face stiff opposition from the Assembly if it tries to implement conditions laid down by the International Monetary Fund for additional financial assistance. [ ]

**Islamization**

The implementation of an Islamic political and economic system seems to be only of secondary importance for most members of the Assembly. The politicians have different political bases and are therefore concerned with different issues, so the pace of Islamization has not become a focus of attention. Most of the delegates realize that the government cannot abandon the course it has chosen for fear of the backlash from Islamic forces that could weaken the new political order. Sunni hardliners are already preparing to fight any attempt by their secular colleagues in the Assembly to slow down Islamization; a motion was introduced recently in the Senate that would require the enforcement of Sunni Islamic law. [ ]

25X1 **Afghanistan**  
Pakistan's support for the Afghan resistance has not yet become a contentious issue in the Assembly. Nevertheless, many delegates are concerned that Zia is letting Pakistan be used by the United States as a pawn in its confrontation with the Soviets in Afghanistan. [ ]

25X1

25X1

charged with making recommendations on reinstituting political parties submitted its report to the Assembly in early August. According to US Embassy reporting, the committee has recommended that all parties be allowed to operate freely if they register first with the government, receive no foreign funding, and do not support opinions or ideologies opposed to Islam or Pakistan. The committee also recommended that a party receiving less than 2 percent of the vote in national elections be dissolved unless it represented a minority community. This proposal is intended to reduce the proliferation of parties and minimize possible factionalization within the Assembly. Also proposed is a five-year ban on political activity by officeholders of a party outlawed under the new regulations. [ ]

Assembly delegates will be free to join or form new parties that meet these conditions. Prime Minister Junejo—apparently on orders from Zia—has made frenetic efforts since June to form a large progovernment party in the Assembly under the banner of the Pakistan Muslim League, a conservative, secular party. [ ]

[ ] Junejo and Zia have abandoned this strategy because they could not recruit enough delegates to form a stable and united progovernment front in the Assembly. We believe many delegates are not inclined to join a

25X1

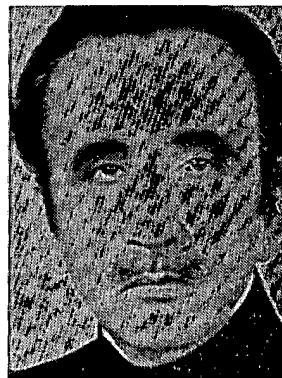
25X1

Secret

Secret

**Pakistan's Prime Minister Junejo**

*Mohammad Khan Junejo, 52, is Pakistan's first Prime Minister since martial law was declared in 1977. Under the evolving strong presidential system of government, his role is largely ceremonial, although he has assumed a highly visible role in conducting the affairs of state while Zia has remained in the background. Junejo is widely considered by Pakistani observers to be unambitious, willing to accept Zia's primacy as President, and probably not inclined to challenge Zia or build an independent power base. US diplomats note, however, that Junejo should not be underestimated. He has displayed a growing interest in both domestic and foreign policy matters that suggests he envisions a major decisionmaking role for himself.*



Prime Minister Mohammad  
Khan Junejo

25X1

25X1

government party because, according to the proposed legislation on reinstituting parties, they would have to vote with the party on all issues or face expulsion from the Assembly.

25X1

**The Opposition**

The fortunes of the opposition MRD and its main component, the Pakistan People's Party (PPP), have sunk to a new low. The MRD's election boycott failed miserably, and a significant element in the Punjab PPP defied party Chairman Benazir Bhutto and took part in the elections. We judge that the failure of the boycott probably has increased divisions within the MRD, particularly between its senior leaders and many opposition moderates who have been critical of the boycott decision and believe more could have been gained by working within the election process.

25X1

25X1

Significant dissension has also developed within the PPP, the only MRD component with a solid popular base, in our view. Many PPP leaders, including Benazir Bhutto, have been criticized by party rank and file for being out of touch with their needs. Benazir, who was in self-imposed exile in Europe, sought to exploit the recent death of her brother and

returned to Pakistan to rally support for the PPP and alleviate some of the party's organizational problems.

25X1

In our judgment, the opposition, although demoralized, has no intention of throwing in the towel. Since the elections, MRD leaders have crisscrossed the country holding political meetings to rally public support. Because of the relaxation of censorship, the opposition's pronouncements have received substantial coverage in the media. At most of these meetings, MRD leaders have emphasized the following themes:

- There can be no compromise with Zia or the military.
- The elected politicians will eventually fail in their efforts to work with the government to get martial law lifted as soon as possible and fully restore democracy.
- The Constitution of 1973 must be restored as a precondition to reviving democracy.

25X1

MRD leaders, however, have been unable to reach a consensus on how to deal with the National Assembly and the Junejo government. Leaders of some smaller MRD components—most notably Tehrik-i-Istiqal chief Asghar Khan—question whether the MRD still serves a useful purpose. According to the Embassy, Asghar Khan has concluded that the MRD is little more than a vehicle for the PPP to bring itself back to power, and he has decided to pull his party out of the coalition. He apparently believes the opposition should

Secret

Secret

Prime Minister Junejo  
addressing the National  
Assembly ☐

25X1



try to reach an accommodation with the government because the assemblies—however objectionable—are functioning and reflect to some extent a popular mandate. ☐

At its strategy session in Karachi last April, the only specific positions adopted by the MRD were in the form of resolutions endorsing increased autonomy for the provinces and a declaration rejecting Zia's amendments to the Constitution. In May, the MRD went a bit further announcing a concrete economic and political program—its first ever—which presumably would serve as policy guidelines for an MRD-led government. ☐

We believe MRD leaders are content to wait and see if the Assembly can establish its credentials as an independent and effective legislature and arrange for the lifting of martial law. We judge that MRD leaders probably reason that the only way in which the members of the Assembly can prove they are not controlled by Zia is by confronting him over martial law and other issues. If they succeed, the MRD believes it will benefit from the resultant weakening of Zia's hold on the government and the creation of conditions that will allow the resumption of partisan political activity. ☐

In our view, the MRD leadership probably believes it will also benefit if the Assembly fails to get martial law ended quickly. It probably reasons that if Zia permits the Assembly to play only a limited role or dissolves parliament, the newly elected politicians will be discredited, creating public discontent that the MRD can exploit. ☐

We believe the MRD will soon try to co-opt sympathetic members of the National Assembly to create an active and visible opposition inside that body. The willingness of Assembly members to cooperate with the MRD probably will be balanced by a desire to benefit from the rewards of office. Moreover, we believe Zia will use his powers of patronage to undercut MRD attempts to forge links with sympathetic Assembly members. ☐

Lacking a clear-cut strategy for unseating Zia, opposition tactics so far have focused on attacking the government because of its ties to the United States, whose support of Israel is unpopular in Pakistan. MRD leaders also have sought to play on apprehensions that Zia's policy toward Afghanistan risks a direct confrontation with the USSR and endangers Pakistan's security for the benefit of US—not Pakistan's—interests. They have called upon Zia to initiate direct talks with the Karmal regime in Kabul to achieve a negotiated settlement in Afghanistan and to pursue better relations with the USSR. ☐

#### Army Attitudes

A key problem for Zia will be establishing a new relationship with the Army, both personally and politically. The lifting of martial law is a major demand not only of the Assembly but also a substantial segment of the Army officer corps. ☐ many officers outside the Martial Law Administration are looking forward to the end of Army involvement in domestic

Secret

Secret

---

### *The Movement for the Restoration of Democracy (MRD)*

*The MRD was formed in 1981 as a nine-party alliance to force Zia to restore parliamentary government and resign. The MRD's manifesto of February 1981 demands: Zia's resignation and an immediate end to martial law; free, fair, and impartial provincial and National Assembly elections under the 1973 Constitution; and, after this, return of power to the elected representatives of the people. A fourth point calls in general terms for restoring and protecting the interests of Pakistan's provinces.* [ ]

25X1

*The MRD currently is composed of 11 parties. The principal parties include:*

- *Pakistan People's Party (PPP). The PPP was founded in 1967 by Zulfikar Ali Bhutto, who appealed to nationalism and popular sentiment in favor of political and economic equality.*
- *National Democratic Party (NDP). A moderate left-of-center party, the NDP supports greater provincial autonomy and has been critical of Zia's Afghan policy, calling frequently for direct talks with Kabul.*
- *Tehrik-i-Istiqlal (TI). Founded in 1970 by former Chief of the Pakistani Air Force Asghar Khan, the TI is regarded in Pakistan as a progressive party with a moderate Islamic outlook.* [ ]

25X1

*politics and administration. They believe the Army's primary duty is the defense of the country, and they do not want to continue to be tainted with the petty and dishonest practices that they associate with the Martial Law Administration.* [ ]

25X1

*the Army corps commanders also wish to have martial law ended to recover some of the authority they have lost because they are not included in the martial law chain of command.* [ ]

25X1

*At the same time, we believe many of those officers involved in the Martial Law Administration probably fear the lifting of martial law in part because it will*

---

### *The MRD's Political and Economic Program*

*The MRD's program committee unanimously adopted the following principles:*

- *Foreign policy:*
  - *Pursue a neutral, nonaligned foreign policy devoted exclusively to Pakistan's national interests.*
  - *Create the circumstances that would facilitate the return of refugees to Afghanistan.*
- *Social policy:*
  - *Remove all censorship restrictions on the media.*
  - *End all discriminatory laws against women and grant them all rights according to the UN Human Rights Charter.*
  - *Introduce public health and social programs for youth.*
  - *Maintain Islamization program.*
- *Economic policy:*
  - *Continue current industrial policies with no further nationalization.*
  - *Review foreign debt and repayment schemes and the activities of multinational corporations and banks.*
  - *Acquire large tracts of land for redistribution.*

25X1

*eliminate the regime's most effective tools for suppressing open opposition and maintaining law and order. Those officers involved directly in the administration of the country also have a vested interest in protecting their personal political power. We believe these officers will lobby strongly against the early lifting of martial law and, if they are unsuccessful, probably will try to become civilian administrators.* [ ]

25X1

*Although the Army strongly backs Zia, a gap between the President and the military will most likely develop as Zia attempts to balance a much wider*

Secret

Secret

array of interests. When Zia steps down as Army Chief of Staff—which he has promised to do after martial law ends—much of the loyalty of the Army will shift to his successor. Even when he becomes a civilian president, Zia will remain commander of the armed forces and chairman of the new National Security Council. To solidify control of the armed forces after he retires, Zia most likely will appoint a trusted associate—probably Vice Chief of the Army Staff General Khalid Mahmud Arif or Chairman of the Joint Chiefs of Staff General Rahimuddin Khan—as his successor as Army Chief of Staff. We believe he also will continue to cater to the Army's professionalism by promoting younger, deserving officers and protecting the Army's interests in foreign policy and the supply of new weapons, in the budget, and in keeping secure the military's penetration of the bureaucracy, the diplomatic corps, and state corporations. ☐

#### 25X1 Outlook

Zia is firmly in power and controls the main direction of political change in Pakistan. The Army supports the President and is unlikely to intervene to stop his program to restore civilian rule unless there is a serious threat of widespread violent protests, particularly in Punjab. ☐

25X1 Although we expect the current period of adjustment between the President and the National Assembly to continue, the wrangling, although sometimes intense, will be among those who have a common interest in making the new system succeed. The combination of interest groups having a stake in the new order is formidable, encompassing the military, the bureaucracy, large business interests, new entrepreneurs and bazaar merchants, much of the Sunni religious establishment, and large landowners. Important groups are missing from this combination—middle-class landowners, trade union leaders, and various classes of urban professionals—but we believe significant erosion would have to occur within the coalition backing Zia before an alternative combination could gain ground. ☐

We see no compelling evidence to alter our judgment that most Pakistanis believe they have benefited from the economic prosperity and political stability during the past seven years under Zia, and that they are willing to tolerate Zia's continued leadership. The Pakistan People's Party retains substantial support among the rural and urban poor, but we believe none among the influential interest groups would want a return to the chaos of a PPP government. ☐

Gambling on continued public acquiescence and long-term military support, Zia will move cautiously toward a more democratic form of government. His own role is evolving from a military to a civilian president, in which the power to command may be less important than the ability to persuade. Inevitably, the new order will become the "Zia order" or the "Zia constitution," and his political fate will be inextricably linked with its success or failure. ☐

#### Alternative Scenario

The situation in Pakistan and Zia's prospects for survival could rapidly change. Pakistan's political history has shown that relatively long periods of stability have been interrupted by short periods of intense, violent political activity that have led to changes of regime. ☐

The election and referendum results indicate that President Zia lacks a significant base of popular support and depends on powerful interest groups to maintain himself in power. The results do not give an accurate reading of the strength of anti-Zia feeling in the country. It is possible that this sentiment is stronger than we believe and that the National Assembly will reflect it in opposing Zia more vigorously than we anticipate. Confrontation between Zia and the Assembly could be encouraged if, with the lifting of martial law, opposition politics become increasingly open and intense. Issues such as Pakistan's economic downturn, the manipulation of Islam, corruption, the

25X1

25X1

25X1

Secret

Secret

**Pakistan's Bleak Economic Outlook**

*Despite sustained economic growth over the past seven years—averaging 6 percent annually in real terms—Pakistan is suffering from two years of agricultural problems, severe power shortages, and a decline in remittances from overseas workers. The current economic problems had their origin almost two years ago with a disastrous cotton crop and the beginning of a decline in remittances, but the government, in its attempts to maintain the appearance of economic prosperity, avoided import and other spending cuts that would have mitigated at least some of the problems. Instead, it spent the foreign exchange reserves it had accumulated when worker remittances were growing to buy economic stability and to modernize its military.*

25X1

*Pakistan probably can improve its financial position, at least in the near future, with a combination of additional foreign financial assistance and domestic economic reforms. Without outside help or reforms, Pakistan's economic problems are likely to worsen over the long term. The government would be forced to contemplate more drastic and politically unappealing measures, such as severe cuts in government spending or restrictions on food and oil imports, which would directly affect most Pakistanis.*

25X1

policy toward Afghanistan and the Afghan refugees, the abrogation of constitutional powers, or events such as direct Soviet military pressure on Pakistan or a resumption of violence in Sind, could lead to the questioning of Zia's leadership and policies and provoke a political crisis.

25X1

Pakistan's budgetary and foreign exchange constraints could cause the most serious political difficulties for Zia, depending on Islamabad's ability to obtain help from Western aid donors. To obtain outside help, the government probably will be pushed to enact major economic reforms that include new taxes, subsidy cuts on food and fertilizer, and cuts in government spending, possibly even defense. Any such proposals are likely to undermine the government's

base of support in the Assembly because they threaten the interests of the strong bloc of conservatives and landowners as well as the military.

25X1

Without outside help or necessary reforms, the country's economic problems will most likely worsen over the long term, forcing the government to contemplate more drastic and politically unappealing measures—such as banning or severely restricting the import of food items, oil, and electrical generating equipment—which would directly affect grassroots levels of Pakistani society and probably spark increased anti-Zia sentiment.

25X1

Zia almost certainly would try to put distance between himself and the country's economic problems, probably blaming the Prime Minister and elected politicians. Such actions, however, would risk undermining the new political order. We believe Zia probably can survive Cabinet reshuffling and one or two changes of Prime Minister without difficulty. But a crisis threatening collapse of the new order, widespread violent disturbances, particularly in Punjab, and a return to martial law probably would lead to new military intervention and spell the end of Zia's rule.

25X1

**Implications for the United States  
If Zia Stays in Power**

As the ultimate arbiter in Pakistani politics, we believe Zia will continue to seek to strengthen security ties with the United States. He will be inclined toward greater cooperation with Washington in aiding the Afghan insurgents and preventing the Soviets from using Afghanistan as a base from which to threaten Pakistan.

25X1

Zia will press for a sizable increase in military and economic aid in a new multiyear program and will regard US willingness to meet Islamabad's requirements as a key indicator of the US commitment to

25X1

Secret

Secret

Pakistan. Without additional assistance, possibly including grant military assistance, Pakistan will have increasing difficulty meeting its repayment obligations to the United States. Prime Minister Junejo told US diplomats recently that the United States had an obligation to support Pakistan's fledgling democracy because Washington had supported the martial law regime. [ ]

With a more open political system, Zia's close ties with the United States will be vulnerable to public scrutiny and criticism to an unprecedented degree. Many Pakistanis—including intellectuals, some Army officers, and senior officials in the Foreign Ministry—do not accept the strategic premises of Zia's reliance on US support for Pakistan. They charge that Islamabad's close ties to the United States and support for the Afghan resistance undermine Pakistan's security by increasing Soviet and Indian hostility. [ ]

Critics of Zia's policies believe his faith in the United States, which is both the consequence and underpinning of his confrontational approach toward the Soviets in Afghanistan, is misplaced. They argue that the historical legacy of US-Pakistani relations, including two US arms embargoes and the suspension of aid over Islamabad's nuclear program in 1979, has proved the United States an inconsistent and unreliable ally. They believe Pakistan would be isolated if it faced a crisis threatening its security and survival. Moreover, some Pakistanis are wary that too close an identification with US interests will jeopardize Pakistan's ties to other Islamic countries and the Nonaligned Movement. [ ]

To minimize potential opposition from Assembly delegates—and possibly even Prime Minister Junejo—who probably expect to play a role on foreign policy issues, we believe Zia will be forced to take the Assembly and Junejo into his confidence and involve them in foreign policy decisions. Although this may strengthen Zia's hand on Afghanistan if he can secure broad backing, it also is likely to complicate Zia's policy decisions. Moreover, it will give him the opportunity to point to the Assembly and Junejo as constraints on his actions in discussions with US officials. [ ]

If Zia encounters stiffer Assembly and popular opposition than we anticipate, we believe he will feel compelled to gradually put distance between himself and the United States. He probably also would take steps to improve relations with the USSR. [ ]

#### **Implications for the United States If Zia Falls**

Almost any new government in Islamabad would be less receptive than the Zia regime to US policies and interests, in our view, because of the need to demonstrate its independence to gain popular support and consolidate its power. A new military regime that came to power as a result of Zia's assassination would be most likely to continue the broad outlines of his policies regarding relations with both the United States and Afghanistan. If the Army were to replace Zia with another general because of serious and prolonged unrest in Pakistan, the new military regime would be more likely to downgrade relations with the United States and try to ease tensions with the Soviets. [ ]

We believe the emergence of an opposition movement sufficiently strong to bring down Zia probably would compel the new military regime to make significant compromises with opposition leaders, including the return to civilian rule. In our judgment, the foreign policy of a civilian government dominated by the MRD would stress nonalignment, downgraded relations with the United States, and a political settlement in Afghanistan that provided for the repatriation of the Afghan refugees. Nonetheless, an MRD-led government probably would not be hostile to US interests and policies because of the need to maintain the support of the military to remain in power. [ ]

In our view, a Pakistani government dominated by Islamic parties might even provoke a break in relations with the United States. Although such a government would also be hostile to the Soviets, it might adopt a more conciliatory policy toward Kabul if

25X1

25X1

25X1

Secret



Secret

---

**Democracy and Zia's Afghan Policy**

*Zia's program to restore gradually civilian rule to Pakistan has set the stage for an unprecedented public debate—much of it critical—on Islamabad's Afghan policy. The tone of the debate has been influenced in part by the large number of cross-border air attacks and violations of Pakistani territory, some of which have resulted in Pakistani casualties. The visits by Zia and the Governor of the North-West Frontier Province to the village of Swir in the Chitral District, the scene of a particularly deadly Afghan attack in late June, illustrate the government's sensitivity to the potential political fallout from the cross-border attacks.*

*further escalation of the conflict. Other members, however, supported the government, and a few even urged the government to respond more forcefully to future Afghan air attacks. Contrary to expectations, the demand for direct talks with Kabul to settle the Afghan conflict was not widely voiced in the Assembly.*

25X1

*We believe Zia's Afghan policy will soon be scrutinized by the Assembly. The opposition almost certainly will try to take advantage of a foreign policy debate to rally public opposition to the new civilian government. If martial law has been lifted by the time of the Afghan policy debate, Assembly delegates may be less likely to criticize the government, particularly if they feel left out of policy decisions on Afghanistan.*

25X1

25X1

*The National Assembly has the potential to become the main forum for views critical of Pakistan's—and the US—policy toward Afghanistan, but the contentious debate Zia's domestic opposition had hoped to generate during the Assembly's session in June did not materialize. The government managed to keep the topic off the formal agenda and forcefully defended its support of the insurgents in response to questions. Those delegates who spoke out on Afghanistan expressed concern about the number of cross-border attacks and deteriorating security in the border area. Zia's critics also accused the government of risking*

*Zia is unlikely to change his policy solely because of Assembly criticism or growing public disenchantment. Zia's perception of US support and reliability, the level of Soviet military pressure along the border with Afghanistan, the state of relations with India, and Pakistan's economic well-being will all be considerations in Zia's calculations.*

25X1

there were a growing public consensus that the refugee problem was becoming unmanageable for Pakistan. Younger officers with an Islamic outlook probably would dominate military attitudes and policies, preventing the Army from intervening against the government as long as it maintained strong public support.

25X1

Secret

**Secret**

**Secret**